

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2103

LISTED MAY 3rd, 1962
5,000,000 shares of \$2.00 par value
Ticker abbreviation "WMI"
Dial ticker number 670
Post section 3.4

TORONTO STOCK EXCHANGE

MAY 28 1962

*File
WMI
gs*

LISTING STATEMENT

WESTERN MINES LIMITED

(NON-PERSONAL LIABILITY)

Incorporated under the British Columbia "Companies Act" by Certificate of Incorporation dated September 25th, 1951.

1. Address of the Company's Head Office and of any other offices:
Principal Office (and Registered Office): Suite 802-850 West Hastings Street, Vancouver, B.C.

2. Officers of the Company:

| OFFICE HELD | NAME | ADDRESS | OCCUPATION |
|-----------------------|-------------------|---|-----------------------|
| President | Harold M. Wright | 1649 Allison, Vancouver, B.C. | Professional Engineer |
| First Vice-President | Roger T. Hager | 5560 Somerset Crescent, Vancouver, B.C. | Executive |
| Second Vice-President | Herman H. Huestis | 2385-152nd Street, R.R. #2, White Rock, B.C. | Executive |
| Managing Director | J. A. C. Ross | 2697 West 34th Avenue, Vancouver, B.C. | Professional Engineer |
| Secretary-Treasurer | H. Montagu Turner | 2406 West 5th Avenue, Vancouver, B.C. | Executive |

3. Directors of the Company:

| NAME | ADDRESS | OCCUPATION |
|----------------------|--|-----------------------|
| Harold M. Wright, | 1649 Allison, Vancouver, B.C. | Professional Engineer |
| Roger T. Hager | 5560 Somerset Crescent, Vancouver, B.C. | Executive |
| Herman H. Huestis | 2385-152nd Street, R.R. #2, White Rock, B.C. | Executive |
| Robert J. Armstrong | Trail, B.C. | Professional Engineer |
| Ernest C. Hammond | 5312 Granville, Vancouver, B.C. | Retired |
| John A. McLallen | 1678 Somerset Crescent, Vancouver, B.C. | Executive |
| J. Maureese Powelson | Suite 301-11 Adelaide Street, West, Toronto, Ontario. | Professional Engineer |
| J. A. C. Ross | 2697 West 34th Avenue, Vancouver, B.C. | Professional Engineer |
| John E. R. Wood | 1551 Angus Drive, Vancouver, B.C. | Contractor |

4. Names and addresses of all transfer agents:
 The Eastern Trust Company, 424 Burrard Street, Vancouver, B.C.
 The Eastern Trust Company, 61 Yonge Street, Toronto, Ontario.
5. Particulars of any fee charged upon transfer other than customary government taxes:
 50¢ for each new share certificate issued on any transfer of shares of the Company.
6. Names and addresses of all registrars:
 The Eastern Trust Company, 424 Burrard Street, Vancouver, B.C.
7. Amount of authorized capital: \$10,000,000.00
8. Number of shares and par value: 5,000,000 shares of the par value of \$2.00 each
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

| DATE | NUMBER OF SHARES | BRIEF DESCRIPTION |
|----------------------------|---|--|
| January and February, 1952 | 175,000 (after consolidation in the ratio of 1 for 2, effective February 4, 1957) | Option to acquire mineral claims, mining and milling plant, and surface rights and improvements, all at Ainsworth, B.C. The total consideration for the option was 175,000 shares (after consolidation as mentioned) and the property was subsequently acquired for \$370,000.00 in cash. The property has not been in production since 1953, and no further production or development is proposed at this time. |
| December 20, 1955 | 1,250 (after consolidation as mentioned above) | Services of H. Montagu Turner as general superintendent of the Company, such shares being a bonus given therefor. |
| March 22, 1957 | 150,000 | Further mining property at Ainsworth, B.C., acquired by the Company from The Consolidated Mining and Smelting Company of Canada Limited, (herein called "Cominco") for a total consideration of 150,000 shares. No further development of this property is proposed at this time. |
| March 22, 1957 | 94,590 | Exploration and development of the Company's mining property at Ainsworth, B.C., carried out by Cominco for a total consideration of 94,590 shares. |
| June 3, 1958 | 99,200 | Further exploration and development of the Company's mining property at Ainsworth, B.C., carried out by Cominco for a total consideration of 99,200 shares. |
| July 31, 1962 | 250,000 | Sub-option to purchase 23 crown granted mineral claims and option to acquire 6 recorded mineral claims, all at Myra Falls, B.C. The total consideration for the sub-option and option was \$5,000 in cash and the issuance of 250,000 shares of the Company valued at 20¢ per share. To maintain in good standing its sub-option and option the Company has made further cash payments totalling \$7,500, and if it wishes to exercise its sub-option and option the Company must make further cash payments totalling \$154,000 in the ten year period commencing July 1st, 1962. |
| Total | 770,040 | |

| 10. Full details of all shares sold for cash. | Date | Number of Shares | Price per Share | Amount realized by Company |
|--|----------------------|--|---|----------------------------|
| | September 26, 1951 | 400,000 (after consolidation in the ratio of 1 for 2, effective February 4, 1957) | 70¢ (being twice the original price, calculated after the consolidation) | \$ 280,000.00 |
| | October 1, 1951 | 3 (after consolidation as above) | \$2.00 (calculated after consolidation as above) | 6.00 |
| | October 1, 1951 | 250,000 (after consolidation as above) | \$1.00 (calculated after consolidation as above) | 250,000.00 |
| | March 31st, 1952 | 35,000 (after consolidation as above) | \$1.00 (calculated after consolidation as above) | 35,000.00 |
| | May 26th, 1961 | 228,500 | 20¢ (subject to a commission of 2½¢ per share) | 39,987.50 |
| | June 6, 1961 | 171,500 | 20¢ (subject to a commission of 2½¢ per share) | 30,012.50 |
| | October 26, 1961 | 200,000 | 25¢ | 50,000.00 |
| | November 9, 1961 | 143,000 | 35¢ | 50,050.00 |
| | November 9, 1961 | 75,000 | 50¢ | 37,500.00 |
| | January 16, 1962 | 57,000 | 35¢ | 19,950.00 |
| | January 16, 1962 | 68,000 | 50¢ | 34,000.00 |
| | January 16, 1962 | 71,500 | 60¢ | 42,900.00 |
| | March 8, 1962 | 71,500 | 75¢ | 53,625.00 |
| | March 26, 1962 | 57,000 | 50¢ | 28,500.00 |
| | March 26, 1962 | 71,500 | \$1.00 | 71,500.00 |
| | Total | 1,899,503 | | \$1,023,031.00 |
| 11. Total number of shares issued. | 2,669,543 | } See: Notes under Item 16 | | |
| 12. Number of shares now in treasury or otherwise unissued. | 2,330,457 | | | |
| 13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes. | Nil | | | |
| 14. Date of last annual meeting. | January 16th, 1962. | | | |
| 15. Date of last report to shareholders. | November 27th, 1961. | | | |

| | |
|---|--|
| <p>16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.</p> | <p>By Agreement dated November 10th, 1961, Davidson & Company Limited, 572 Howe Street, Vancouver, B.C., underwrote 75,000 shares at 50 cents per share and was granted options to purchase a further 425,000 shares exercisable as follows:</p> <p>68,000 shares at 50 cents per share on or before February 26, 1962. 57,000 shares at 50 cents per share on or before April 26th, 1962. 100,000 shares at 60 cents per share on or before May 26th, 1962. 100,000 shares at 75 cents per share on or before July 26th, 1962. 100,000 shares at \$1.00 per share on or before September 26th, 1962.</p> <p>The underwritten shares, the 68,000 shares under option at 50 cents per share, the 57,000 shares under option at 50 cents per share, 71,500 of the 100,000 shares under option at 60 cents, 71,500 of the 100,000 shares under option at 75 cents per share, and 71,500 of the 100,000 shares under option at \$1.00 per share, have been taken up and payment therefor received by the Company. Davidson & Company Limited has become obligated to purchase the remaining 28,500 of the 100,000 shares under option at 60 cents per share, the remaining 28,500 of the 100,000 shares under option at 75 cents per share, and the remaining 28,500 of the 100,000 shares under option at \$1.00 per share, but by mutual consent is not required to do so until May 26th, 1962, July 26th, 1962, and September 26th, 1962, respectively.</p> <p>NOTE:</p> <p>1. Since the date of this application, the Company has received payment in full for 28,500 shares at 60 cents per share.</p> <p>By Agreement dated March 26th, 1962, the above mentioned Davidson & Company Limited underwrote 125,000 shares at \$1.75 per share with payment to be made therefor forthwith upon the granting of registration to the Company by the Superintendent of Brokers under the B.C. Securities Act (which was granted March 26th, 1962 and is herein referred to as "the effective date") and was granted options on a further 500,000 shares exercisable as follows:</p> <p>125,000 shares at \$2.00 per share within 3 months of the effective date 125,000 shares at \$2.50 per share within 6 months of the effective date 125,000 shares at \$3.00 per share within 9 months of the effective date 125,000 shares at \$3.50 per share within 12 months of the effective date.</p> <p>NOTE:</p> <p>2. Since the date of this application, the Company has issued 125,000 shares covering the underwriting of the above-mentioned 125,000 shares at \$1.75 per share.</p> <p>By Agreement dated May 30th, 1961 between the Company and The Consolidated Mining and Smelting Company of Canada Limited of 215 St. James St. West, Montreal, Quebec, (hereinafter called "Cominco") the Company granted to Cominco the right to participate in any future financing of the Company upon the terms and conditions contained in the Agreement. The Agreement provides that such participation shall be in the proportion which the number of shares of which Cominco is the registered holder bears to the total number of issued shares of the Company at the time of participation. Cominco participated in the financing constituted by the above mentioned agreement dated November 10th, 1961, between the Company and Davidson & Company Limited, but by letters to the Company dated March 26th and March 27th, 1962, Cominco waived its right to participate in the financing constituted by the above mentioned Agreement between the Company and Davidson & Company Limited dated March 26th, 1962. In consideration of Cominco waiving a 30 day period of notice provided for in the Agreement Cominco's right to participate in any subsequent future financing was reserved.</p> |
| <p>17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.</p> | <p>DAVIDSON & COMPANY LIMITED, 572 Howe Street, Vancouver, B.C. THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED, 215 St. James St. West, Montreal, Quebec. TARANCO HOLDINGS LIMITED, 4 King St. West, Toronto, Ontario. WILLS, BICKLE & COMPANY LIMITED, 44 King St. West, Toronto, Ontario.</p> |
| <p>18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p> | <p>Nil</p> |
| <p>19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.</p> | <p>Nil</p> |
| <p>20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)</p> | <p>Not applicable</p> |
| <p>21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.</p> | <ol style="list-style-type: none"> 1. The Consolidated Mining and Smelting Company of Canada Limited (628,790) Trail, B.C. 2. Hortense E. Spence (500,200), (Nominee for Davidson & Company Limited), 572 Howe Street, Vancouver 1, B.C. 3. Noranda Mines, Limited (180,000) c/o David C. Davenport, Barrister and Solicitor, 675 W. Hastings St., Vancouver, B.C. 4. Whit & Co. (166,800), (Nominee for Norman R. Whittall Ltd.), 424 Burrard Street, Vancouver, B.C. 5. Harold M. Wright (50,000), 1649 Allison, Vancouver, B.C. |

27.

(c) Properties otherwise held.

—continued—

(ii) on the basis of an option to purchase:

Recorded mineral claims situate in the Myra Falls area of B.C., recorded at Alberni, B.C.

| Name of Claim | Approx. Acreage |
|----------------------|--|
| Hat Nos. 1-6 (incl.) | Estimate average: 40 acres per claim. |

The Company derives its right to purchase the above 6 recorded mineral claims under an unregistered option and sub-option agreement dated June 1, 1961, made between Patrick M. Reynolds as optionor and sub-optionor and the Company as optionee and sub-optionee.

(iii) On the basis of a sub-option to purchase:

Crown granted mineral claims situate in the Myra Falls area in the Alberni Assessment District, Clayoquot District, B.C.

| Lot No. | Name of Claim | Approx. Acreage | Lot No. | Name of Claim | Approx. Acreage |
|---------|---------------|-----------------|---------|---------------|-----------------|
| 1340 | Pearl | 32.30 | 1664 | Blue Jay | 22.70 |
| 1344 | Bear Paw | 47.74 | 1660 | Lynx | 28.76 |
| 1345 | Beaver Paw | 48.91 | 1661 | Couger | 26.90 |
| 1346 | Right Paw | 50.30 | 1666 | Grey Squirrel | 27.09 |
| 1347 | Left Paw | 34.59 | 1971 | Boulder | 29.50 |
| 1668 | South Paw | 43.65 | 1972 | Barite | 44.74 |
| 1669 | West Paw | 50.45 | 1973 | Raven | 28.96 |
| 1670 | North Paw | 32.00 | 1974 | Betty | 16.05 |
| 1671 | East Paw | 51.53 | 1659 | Mink | 38.40 |
| 1341 | Betty | 19.21 | 1665 | Red Squirrel | 28.51 |
| 1342 | Elwood | 16.28 | 1667 | Bessie B | 46.17 |
| 1663 | Blue Grouse | 20.12 | | | |

The Company derives its right to purchase the above 23 crown granted mineral claims under the agreement dated June 1, 1961, mentioned in paragraph (ii) above.

28. Full particulars of any royalties or other charges payable upon production from each individual property.

Under Section 117 of the "Mineral Act" of B.C., royalties as fixed by regulations made by the Lieutenant-Governor in Council from time to time are payable to Her Majesty in respect of all minerals won from mineral claims crown granted or recorded after May 1, 1948. All the above recorded mineral claims, and the following of those crown granted mineral claims described above: "Boulder", "Barite", "Raven", "Betty" (Lot 1974), "Mink", "Red Squirrel" "Bessie B", were recorded after that date. To date the only royalty so fixed by regulation is \$1.00 per long dry ton of contained iron.

29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.

(i) PATRICK M. REYNOLDS,
1438 W. 40th Avenue, Vancouver, B.C.

In addition to \$10,000.00 which has been paid in cash and 250,000 shares of the Company which have been issued, a further \$10,000.00 in cash is payable on an option basis for the sub-option and option upon the 23 crown granted mineral claims and the 6 recorded mineral claims, situate in the Myra Falls area of B.C., all described in paragraphs (c) (ii) and (iii) of Item 27 hereof.

(ii) THE PARAMOUNT MINING COMPANY LIMITED,
c/o National Trust Company, Limited, 20 King Street East, Toronto 1, Ontario.

In addition to \$2,000.00 cash paid to it by the said Patrick M. Reynolds and \$1,000.00 paid to it by the Company, an additional total of \$73,000.00 in cash is payable to it by the Company on a sub-option basis to acquire the first mentioned 13 of the 23 crown granted mineral claims mentioned above.

(iii) WILLIAM THOMAS MILLER and MARGIT VALBORG MILLER,
8582 Emard Terrace, R.R. No. 1, Saanichton, B.C.

In addition to \$1,000.00 paid to them by the said Patrick M. Reynolds and \$1,000.00 paid to them by the Company, an additional total of \$48,000.00 in cash is payable to them by the Company on a sub-option basis to acquire the 7 crown granted mineral claims mentioned after the first 13 above.

(iv) THOMAS JAMES McQUILLAN,
3939 West King Edward Avenue, Vancouver, B.C.

In addition to \$500.00 paid to him by the said Patrick M. Reynolds and \$500.00 paid to him by the Company, an additional total of \$24,000.00 in cash is payable to him by the Company on a sub-option basis to acquire the last mentioned 3 of the 23 crown granted mineral claims mentioned above.

(v) WILLIAM JOHN TURNER,
Ainsworth, B.C.

In addition to \$7,250.00 paid to him by the Company, an additional \$2,750.00 is payable to him by the Company on an option basis to acquire the 5 crown granted mineral claims mentioned in paragraph (c) (i) of Item 27 hereof.

30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.

The following persons will receive a greater than 5% interest in the sum of \$10,000.00 payable on an option basis and mentioned in paragraph (i) of Item 29 above:

JOHN A. McLALLEN, 1678 Somerset Crescent, Vancouver, B.C.

WILLIAM H. McLALLEN, 3851 Pine Crescent, Vancouver, B.C.

ARTHUR O. HALL, 2767 Crescentview, North Vancouver, B.C.

HERMAN H. HUESTIS, 2385-152nd Street, R.R. No. 2, White Rock, B.C.

31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.

No

| | |
|--|---|
| 32. Describe plant and equipment on property or properties. | <p>At Myra Falls, Vancouver Island, B.C.:</p> <p>Presently on site:</p> <p>40 man camp 3 surface diamond drills (on rental) 4 trucks (1 on rental)</p> <p>Being immediately acquired or in transit to site:</p> <p>2-600 c.f.m. compressors 2 mucking machines Drilling equipment Tramming equipment Ventilation fans and diesel power plant Power boats and trucks.</p> <p>At Ainsworth, B.C.</p> <p>Mine dry, office and staff houses 100 ton concentrator and crushing plant Powder house Mechanical shop.</p> |
| 33. Describe all development accomplished and planned. | <p>DEVELOPMENT ACCOMPLISHED</p> <p>At Myra Falls, Vancouver Island, B.C.:</p> <p>Surface mapping and exploration, including approximately 9600 feet of surface diamond drilling.</p> <p>At Ainsworth, B.C.:</p> <p>Production ceased in 1953. No development work has been done since 1957.</p> <p>DEVELOPMENT PLANNED</p> <p>At Myra Falls:</p> <p>Underground work consisting of drifting, raising, crosscutting, sub-level drifting, underground diamond drilling, test hole drilling, underground and surface geological mapping, all under the direction of Mr. J. A. C. Ross, P.Eng., the managing director of the Company.</p> <p>At Ainsworth:</p> <p>None.</p> |
| 34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request. | <p>Report dated April 14, 1962, addendum dated April 26, 1962 and letter dated May 1, 1962, by Dr. H. C. Gunning, Ph.D., P.Eng., of Vancouver, B.C.</p> |
| 35. Full particulars of production to date. | <p>None at Myra Falls. Production ceased on the Company's mining property at Ainsworth, B.C. in March, 1953, owing to market conditions, and no production from it is proposed at this time.</p> |
| 36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution. | <p>No</p> |
| 37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange. | <p>Lawrence, Shaw, McFarlane & Stewart, Suite 402-1111, West Georgia Street, Vancouver, B.C.</p> |
| <p>38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.</p> <p>(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.</p> <p>(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.</p> | <p>(a) The shares of the Company were called for trading on the Vancouver Stock Exchange on March 29th, 1957.</p> <p>(b) No.</p> <p>(c) No.</p> |

| | |
|--|---|
| 39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm. | <p>H. M. WRIGHT Wright Engineers Limited, Professional Engineers, President over 5 years.</p> <p>R. T. HAGER The Canadian Fishing Company Limited, Commercial Fishing, Executive and President over 5 years.</p> <p>H. H. HUESTIS Bethlehem Copper Corporation Ltd. (N.P.L.), Mining Development, President over 5 years.</p> <p>J. A. C. ROSS J. A. C. Ross & Associates Ltd., Professional Engineering, President over 4 years.</p> <p>R. J. ARMSTRONG The Consolidated Mining and Smelting Company of Canada Limited, Mining and Smelting, Manager of Exploration over 5 years.</p> <p>E. C. HAMMOND Hammond Manufacturing Ltd., Furniture Manufacturing, President over 5 years prior to recent retirement.</p> <p>J. A. McLALLEN, Capilano Timber Co. Ltd., Lumbering, Vice-President and General Manager over 5 years.</p> <p>J. M. POWELSON, Private Practise, Professional Engineering, Consulting Geologist over 5 years.</p> <p>J. E. R. WOOD Norwood Construction Co. Ltd., Contracting, President over 5 years.</p> <p>H. M. TURNER Western Mines Limited (N.P.L.), Mining Development, General Superintendent over 5 years (except last 3 months) Secretary-Treasurer last 3 months.</p> |
| 40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company. | None |
| 41. Any other material facts not disclosed in the foregoing. | None |

| STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL AS OF APRIL 12th, 1962 | | |
|--|-----------|-----------|
| FREE STOCK | Shares | Shares |
| (a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees)..... | 2,359,841 | |
| (b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees..... | 309,702 | |
| Total free stock..... | | 2,699,543 |
| ESCROWED OR POOLED STOCK | | |
| (c) Held in escrow or pool as set out in Item 19 of this application..... | | nil |
| Total issued capital..... | | 2,699,543 |
| RECORD OF SHAREHOLDERS | | |
| Number of registered shareholders holding shares in class (a) above..... | | 556 |
| Number of registered shareholders holding shares in class (b) above..... | | 11 |
| Number of registered shareholders holding shares in class (c) above..... | | nil |

| STATEMENT SHOWING NUMBER OF SHAREHOLDERS AS OF MARCH 30th, 1962 | | |
|--|-------------------------------|-----------------------------|
| Number | | Shares |
| 69 | Holders of 1— 100 shares..... | 5,410 |
| 378 | “ “ 101—1000 “ | 266,114 |
| 40 | “ “ 1001—2000 “ | 66,205 |
| 19 | “ “ 2001—3000 “ | 50,900 |
| 8 | “ “ 3001—4000 “ | 28,000 |
| 11 | “ “ 4001—5000 “ | 51,850 |
| 42 | “ “ 5001—up “ | 2,201,064 |
| 567 | Stockholders | Total Shares..... 2,669,543 |

Dated at Vancouver, B.C. the 14th day of April, 1962



WESTERN MINES LIMITED (NON-PERSONAL LIABILITY)

“H. M. WRIGHT”, President

“H. M. TURNER”, Secretary-Treasurer

CERTIFICATE OF UNDERWRITER/OPTIONEE

(NOTE—Not applicable with respect to incentive or employee options.)

To the best of my knowledge, information and belief, all of the statements and representations made in this listing application and in the documents filed in support thereof are true and correct.



DAVIDSON & COMPANY LIMITED

“R. H. TALLING”, President

“W. R. DUNWELL”

PARTICULARS OF SUB-OPTIONS, SUB-UNDERWRITINGS, ETC.

The following are particulars of all agreements of the nature of sub-option agreements, sub-underwriting agreements and assignments, outstanding or proposed to be made with respect to the treasury share contracts set out in Item 16, on page 2:

Davidson & Company Limited proposes to enter immediately into a sub-underwriting and option agreement with Taranco Holdings Limited, 4 King Street West, Toronto and Wills, Bickle & Company Limited, 44 King Street West, Toronto, on joint account, under which:

- (a) Taranco Holdings Limited and Wills, Bickle & Company Limited will be entitled and obligated to purchase, at the price of \$1.75 per share 71,429 shares of the 125,000 shares of Western Mines Limited (Non-Personal Liability) (hereinafter called "the Company") being purchased by Davidson & Company Limited at the same price under the underwriting and option agreement dated March 26, 1962, made between the Company and Davidson & Company Limited and referred to in item 16 of the foregoing listing application, and
- (b) Taranco Holdings Limited and Wills, Bickle & Company Limited will be entitled to purchase, at the same price per share that Davidson & Company Limited is entitled to purchase the same, 71,429 shares of each of the four blocks of 125,000 shares optioned to Davidson & Company Limited under that underwriting and option agreement dated March 26, 1962.

CERTIFICATE AND AGREEMENT OF OPTIONEE OR UNDERWRITER

The optionee or underwriter mentioned in Item 16 on page 2 hereby

1. Certifies that the above information is true and correct, and
2. Covenants that no agreement or agreements of the nature of a sub-option agreement, sub-underwriting agreement or assignment, with respect to the shares set out in Item 16 on page 2 will hereafter be made by him without prior notice thereof being given to the Exchange and that no such proposed agreement or agreements will be proceeded with until such notice has been duly accepted for filing by the Exchange.

Dated at Vancouver, B.C. this 14th day of April, 1962.



DAVIDSON & COMPANY LIMITED

per: "R. H. TALLING",

"W. R. DUNWELL"

TO THE DIRECTORS,
WESTERN MINES LIMITED (N.P.L.),
850 West Hastings Street,
Vancouver 1, B.C.

Dear Sirs:

In accordance with your instructions we submit the following audited financial statements which have been prepared from the records of the company:

AUDITORS' REPORT

EXHIBIT "A"—Balance Sheet as at February 28th, 1962.

—Notes to Balance Sheet as at February 28th, 1962.

EXHIBIT "B"—Statement of Deferred Exploration and Mine Development Costs for the five months ended February 28th, 1962.

Yours very truly,

"REYNOLDS, ANDERSON, McPHERSON & CO."

Chartered Accountants

WESTERN MINES LIMITED

(Non-Personal Liability)

Vancouver, B.C.

AUDITORS' REPORT

We have examined the books and accounts of Western Mines Limited (Non-Personal Liability) as at February 28th, 1962, and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In verification of title to the mineral claims we have accepted a letter from the company's solicitors which states that with respect to crown granted mineral claims recorded in the books of the company, in their opinion, either the company or, in the case of claims held under option, the optionors have a duly registered, good, free-holding and marketable title to such claims; that with respect to recorded mineral claims, such claims are recorded in the name of either the company or, in the case of claims held under option, in the name of the optionor; that with respect to claims held under option the company can obtain clear title thereto upon compliance with the terms of the option agreement.

In our opinion, subject to the foregoing, the attached balance sheet, supplemented by the accompanying notes, and the statement of deferred exploration and mine development costs are properly drawn up so as to exhibit a true and correct view of the company's affairs as at February 28th, 1962, according to the best of our information and the explanations given to us and as shown by the books of the company.

"REYNOLDS, ANDERSON, McPHERSON & CO."

Chartered Accountants

Vancouver, B.C.

April 4th, 1962.

FINANCIAL STATEMENTS

WESTERN MINES LIMITED

(Non-Personal Liability)

Vancouver, B.C.

EXHIBIT "A"

BALANCE SHEET AS AT FEBRUARY 28th, 1962

ASSETS

CURRENT ASSETS

| | | |
|---|--------------|---------------|
| Cash in banks..... | \$102,674.66 | |
| Cash on deposit with trust company, including accrued interest..... | 100,306.85 | |
| Subscriptions receivable (Note 1)..... | 166,975.00 | |
| Mine and mill supplies..... | 9,244.30 | |
| Prepaid expenses..... | 860.97 | |
| | | \$ 380,061.78 |

INVESTMENTS, at cost

| | |
|---|----------|
| 3,570 shares of Table Mountain Mines Limited..... | 3,570.00 |
|---|----------|

MINING PROPERTIES, at cost (Note 2)

| | FOR SHARES | FOR CASH | TOTAL |
|---------------------------|---------------------|--------------------|--------------|
| Ainsworth..... | \$350,000.00 | | \$350,000.00 |
| Highland Mines..... | 300,000.00 | | 300,000.00 |
| Myra Falls..... | 50,000.00 | \$ 7,500.00 | 57,500.00 |
| Daisy—Florence Group..... | | 7,250.00 | 7,250.00 |
| | <u>\$700,000.00</u> | <u>\$14,750.00</u> | 714,750.00 |

PLANT AND EQUIPMENT, at cost

| | AT AINSWORTH, B.C. | AT MYRA FALLS, B.C. | TOTAL |
|-------------------------------------|--------------------------|---------------------------|-------------------|
| Buildings..... | \$173,462.48 | | \$173,462.48 |
| Machinery and equipment..... | 248,284.33 | \$ 336.01 | 248,620.34 |
| Truck and tractor..... | 2,442.00 | 23,625.95 | 26,067.95 |
| Water and power system..... | 9,250.00 | | 9,250.00 |
| | <u>433,438.81</u> | <u>23,961.96</u> | <u>457,400.77</u> |
| Less: Accumulated depreciation..... | 27,189.28 | | 27,189.28 |
| | <u>\$406,249.53</u> | <u>\$23,961.96</u> | 430,211.49 |

| | |
|---|-----------------------|
| DEFERRED EXPLORATION AND MINE DEVELOPMENT COSTS, per Exhibit "B"..... | 658,452.97 |
| | <u>\$2,187,046.24</u> |

LIABILITIES

CURRENT LIABILITIES

| | |
|-----------------------|--------------|
| Accounts payable..... | \$ 35,544.63 |
|-----------------------|--------------|

CAPITAL AND DEFICIT

SHARE CAPITAL—(Notes 1, 3, 4 and 5)

Authorized:

| | |
|---|------------------------|
| 5,000,000 shares of a par value of \$2.00 each..... | <u>\$10,000,000.00</u> |
|---|------------------------|

Issued and fully paid:

For Cash:

| | |
|--|-----------------|
| 1,085,003 shares..... | \$ 2,170,006.00 |
| 686,000 shares during the five months..... | 1,372,000.00 |

| | |
|-----------------------|--------------|
| 1,771,003 | 3,542,006.00 |
| Discount thereon..... | 2,608,975.00 |

933,031.00

For Mine Property, Mineral Claims and Services:

| | |
|-----------------------|----------------|
| 770,040 shares..... | \$1,540,080.00 |
| Discount thereon..... | 450,000.00 |

| | |
|------------------|--------------|
| 2,541,043 shares | 2,023,111.00 |
|------------------|--------------|

| | |
|--|------------|
| SUBSCRIPTIONS—for 214,000 shares, net of discount..... | 166,975.00 |
|--|------------|

2,190,086.00

| | |
|--|-----------|
| DEFICIT, September 30th, 1961 and February 28th, 1962..... | 38,584.39 |
|--|-----------|

2,151,501.61
\$2,187,046.24

Approved on behalf of the Board:

"H. M. WRIGHT", Director

"J. A. C. ROSS", Director.

The accompanying notes numbered 1 to 5 form an integral part of this balance sheet.

This is the balance sheet referred to in the report of Reynolds, Anderson, McPherson & Co., Chartered Accountants, dated April 4th, 1962.

WESTERN MINES LIMITED
(Non-Personal Liability)
Vancouver, B.C.

NOTES TO BALANCE SHEET AS AT FEBRUARY 28th, 1962

1. By an underwriting agreement, dated November 10th, 1961, the company granted options to Davidson & Company Limited, Vancouver, B.C., in respect of 425,000 shares exercisable up to September 26th, 1962, but subject to escalator provisions which caused all outstanding options to fall due prior to February 28th, 1962. Therefore at the balance sheet date Davidson & Company Limited were indebted to the company in the amount of \$166,975.00 in respect of the purchase of 214,000 shares.
2. By an agreement, dated June 1st, 1961, the company was granted an option to purchase certain recorded and crown granted mineral claims near Myra Falls, B.C., in consideration for the issue of 250,000 shares of the company and \$166,500.00 of which \$159,000.00 remains payable on an option basis with payments extending up to 1970.
By an agreement, dated July 21st, 1954, the company was granted an option to purchase certain recorded and crown granted mineral claims near Ainsworth, B.C., for a consideration of \$10,000.00 of which \$2,750.00 remains payable.
3. By an underwriting agreement, dated March 26th, 1962, with Davidson & Company Limited, Vancouver, B.C., the following options were granted by the company in consideration for the purchase, for cash, of 125,000 shares at \$1.75 net:

125,000 shares at \$2.00 on or before June 26th, 1962
125,000 shares at \$2.50 on or before September 26th, 1962
125,000 shares at \$3.00 on or before December 26th, 1962
125,000 shares at \$3.50 on or before March 26th, 1963
4. Under an agreement, dated May 30th, 1961, the company granted to The Consolidated Mining and Smelting Company of Canada Limited (Cominco) the right to participate in any future financing of the company. The right to participate is limited to a proportion of any future financing based on the registered share holdings of Cominco at that time.
5. On January 30th, 1962, the authorized capital of the company was increased from 3,000,000 shares of a par value of \$2.00 each to 5,000,000 shares of a par value of \$2.00 each.

EXHIBIT "B"

WESTERN MINES LIMITED
(Non-Personal Liability)
Vancouver, B.C.

**STATEMENT OF DEFERRED EXPLORATION AND MINE DEVELOPMENT COSTS
FOR THE FIVE MONTHS ENDED FEBRUARY 28th, 1962**

| | AINSWORTH | MYRA FALLS | TOTAL |
|--|---------------------|---------------------|---------------------|
| DIRECT COSTS | | | |
| Diamond drilling..... | | \$ 77,749.19 | \$ 77,749.19 |
| Road construction..... | | 4,118.92 | 4,118.92 |
| Truck and tractor operation and maintenance..... | | 9,234.41 | 9,234.41 |
| Engineering..... | | 8,622.35 | 8,622.35 |
| Cookhouse..... | | 7,044.46 | 7,044.46 |
| Freight and water transport..... | | 8,183.22 | 8,183.22 |
| Claim staking..... | | 967.04 | 967.04 |
| Machine shop..... | | 636.87 | 636.87 |
| Assaying..... | | 2,166.47 | 2,166.47 |
| Camp preparation..... | | 6,011.61 | 6,011.61 |
| Supervision..... | | 655.66 | 655.66 |
| | | <u>125,390.20</u> | <u>125,390.20</u> |
| INDIRECT COSTS | | | |
| Salary and employee benefits..... | | 5,100.70 | 5,100.70 |
| Office..... | \$ 69.75 | 3,507.98 | 3,577.73 |
| Travel..... | | 1,881.28 | 1,881.28 |
| Taxes..... | 383.69 | 146.00 | 529.69 |
| Power..... | 843.91 | | 843.91 |
| Insurance..... | 409.66 | 111.25 | 520.91 |
| Fees and licences..... | | 247.00 | 247.00 |
| Telephone and telegraph..... | | 298.88 | 298.88 |
| Legal and audit..... | 450.38 | 7,817.58 | 8,267.96 |
| Provision for depreciation..... | | | |
| | | <u>2,157.39</u> | <u>21,268.06</u> |
| | | <u>2,157.39</u> | <u>146,658.26</u> |
| Less: Recovery of road costs from Provincial Government..... | | 7,500.00 | 7,500.00 |
| Interest earned on deposit with Trust Company..... | | 306.85 | 306.85 |
| | | <u>7,806.85</u> | <u>7,806.85</u> |
| | | <u>2,157.39</u> | <u>136,694.02</u> |
| Add: Deferred costs to September 30th, 1961..... | 487,223.57 | 32,377.99 | 519,601.56 |
| TOTAL, carried to Exhibit "A" | <u>\$489,380.96</u> | <u>\$169,072.01</u> | <u>\$658,452.97</u> |

ENGINEER'S REPORT

H. C. GUNNING, P.ENG.

Consulting Geologist

1245 Beach Avenue, Vancouver 5, B.C.

TO THE PRESIDENT AND BOARD OF DIRECTORS,

WESTERN MINES LIMITED

850 West Hastings Street,

Vancouver 1, B.C.

WESTERN MINES LIMITED - MYRA FALLS PROPERTY

STRATHCONA PARK, VANCOUVER ISLAND, B.C.

PROPERTY

The property consists of 23 crown granted claims and 84 contiguous claims staked since June 1960. The Crown granted claims, known as the Price Creek (or Cross group), Paramount and Lynx groups, and six located claims are under option from P. M. Reynolds and Associates of Vancouver.

LOCATION AND ACCESS (See Plans 1 and 2)

The claims cover a strip up to 12,000 feet wide extending over four miles in a northwesterly direction past the southern tip of Buttle Lake, in Strathcona Park. They are in mountainous terrain drained by Myra, Thelwood and Price Creeks. Buttle Lake is 725 feet above sea level and 24 miles in length. Its northern end is 28 miles by gravel road from Campbell River on the east coast of Vancouver Island, some 100 miles north-west of Vancouver. From near the mouth of Myra Creek a jeep road leads 2 miles west up Myra Creek Valley to the Lynx and Paramount workings. A permanent Base Camp has been established recently at the south end of Buttle Lake a mile east of the Price group which is accessible by logging road and foot trail from the base camp. The lower workings on all three groups are at elevations between 1200 and 1500 feet above sea level, the Paramount being separated from the Price by a ridge some 3500 feet high.

HISTORY

The claims were originally staked and prospected by James Cross and associates of Victoria, B.C. Between 1919 and 1925 the Paramount Mining Company, under control of Joseph Errington and Associates of Toronto, put in several trenches on the Lynx and other claims, drove an 80 feet adit and excavated several open cuts on the Paramount and drilled ten holes, (Nos. 1 to 10 inclusive) aggregating 2169 feet on the main Paramount showing. G. A. Clothier recorded assays of samples from the Price Group in the B.C. Minister of Mines Report, 1929, Page 384. In 1930 reconnaissance geological mapping of the area was carried out by H. C. Gunning for the Geological Survey, Canada, and a report published (Geological Survey, Canada, Summary Report, 1930, Part A, Pages 66-72). Between 1946 and 1960 the properties were examined by several engineers and geologists, including C. S. Ney, (1946) A. O. Hall (1949), S. B. Williscroft (1952), New Jersey Zinc Co. (1954), A. C. Skerl (for North-west Ventures) (1956) and W. T. Irvine (1960) for C.M. & S. Company. In 1952, the Granby Consolidated Mining, Smelting & Power Company Ltd. optioned the property and drilled four holes (Nos. 11 to 14) totalling 1925 feet on the Paramount, near but south-east of the previous drilling.

P. M. Reynolds and Associates consolidated the properties under option in 1960 and in that year drilled two holes (Nos. 15 and 16) on the Paramount.

Western Mines Limited optioned the properties from P. M. Reynolds and Associates in May, 1961, have drilled six holes (W101 to W106 inclusive) aggregating 1812 feet on the Paramount, and excavated and sampled two major trenches there. A sample from one trench was submitted to Consolidated Mining and Smelting Company for preliminary metallurgical testing.

Western Mines' major effort has been concentrated on the Lynx group. By the end of March twenty-one diamond drill holes had been completed or abandoned for a total drilled footage of 8417 feet over a strike length of 1250 feet along the main Lynx mineralized zone. The work was under the Supervision of J. A. C. Ross and A. O. Hall, Consulting Engineers.

Statements of results were made public in the Ninth Annual Report of Western Mines Limited, for the year ended September 30, 1961 and in an interim statement by Mr. Ross dated January 12, 1962, copies of which accompany this report.

For about a month in the summer of 1961 the first detailed geological mapping of the main mineralized areas on the three groups was undertaken by geologists, T. W. Muraro and J. Richardson of the Geological Department of Consolidated Mining and Smelting Company of Canada and a geological report with illustrative maps was prepared under date of July 31, 1961. Sam B. McBeath has logged and sampled all the drilling by Western Mines on the Lynx and Paramount Groups and has prepared plans and sections to illustrate the results.

Original copies or compilations of all prior information were made available to the present writer in March 1962.

GEOLOGY

The present writer's report on a reconnaissance study of the geology of Buttle Lake Area is published in the 1930 Summary Report, Part A, Geological Survey of Canada, pages 56 to 78. It includes descriptions of the surface showings at the Lynx, Paramount and Price Creek groups, with special emphasis on the Lynx. Since then no comprehensive study of the areal geology has been undertaken. The results of recent localized, surface mapping by Consolidated Mining and Smelting Company have been made available to the writer and have been discussed with the field geologist who did the work.

The writer visited the property from March 30 to April 2, 1962, inclusive; with the assistance of the resident geologist drill cores were relogged, interpretations discussed, and a special effort was made to examine in detail mineralized sections at the Lynx and in two typical holes at the Paramount, checking visual estimates of base metal content against assay results of company sampling. In view of good correspondence in this regard it was not considered advisable to remove the remaining half-cores for additional assaying, thus depriving the owners of material that is apt to be needed for further study as development proceeds. Snow and rugged terrain prevented re-examination of the surface showings but it is said that at the Lynx, little or no surface development has been done since 1930.

A high percentage of the surface is covered with a heavy growth of timber and bush and the valley of Myra Creek between the Lynx and Paramount Groups is mantled by deep overburden.

The known rocks in the claim area include much bedded agglomerate and tuff, chiefly of intermediate to basic composition, but including distinctive thin-bedded horizons of dense cherty material and softer argillaceous to visibly fragmental members that in places exhibit graded bedding. These, with intervening, thicker layers of agglomerate, should serve as useful horizon markers if detailed studies are made at a later date. Flows and dykes of andesitic to dacitic appearance are present and it is known that limestone occurs in the upper part of the stratigraphic succession but none has been found on the claims. On the basis of a few fossil collections from well north of the property the entire assemblage is believed to be of Permian or greater age, underlying the Triassic volcanic rocks and associated sediments that are exposed throughout much of the northern and central parts of Vancouver Island.

In the mineralized areas on the property the rocks are in large part so highly sheared and altered that their original composition and their attitudes are unknown. In lower Myra Creek and along the southern shores of Buttle Lake the bedded pyroclastics, in layers from a fraction of an inch to tens of feet in thickness have a general northwesterly strike and dip to the southwest at angles varying from about 10 to 40 degrees. Similar strata have been observed 1000 to 1500 feet above the lake and some 500 feet west of the Lynx schistose zone. However, sufficient detailed geology has not been done to demonstrate the original nature of the strata that are incorporated in the schistose zones though it appears, from drill core, that agglomerates and tuffs, and some flows, are represented. It is thought, from a few surface exposures and from some debatable correlations in drill cores, that dips of 75° or more to the southwest may prevail along the south western side of the Lynx schist zone. The regional structure of the paleozoic rocks is believed to be a major anticline or elongated dome, some 20 miles long at least and up to 8 miles wide. There is evidence of minor folds, with gently plunging axes, within the major structure, and of gentle northerly plunges at the Lynx. Some four miles west of the south end of Buttle Lake the paleozoic strata are truncated by the north easterly contact of a major granitic intrusion of presumable post-Triassic age.

At each of the three groups the rocks are locally converted to schists containing varying proportions of quartz, chlorite and sericite and lesser amounts of epidote, pyrite and other accessory minerals. They are termed quartz-sericite schist, chlorite schist, or intermediate types. Some varieties are talcose. The most abundant type in mineralized zones is quartz-sericite schist. The general strike of the schistosity is northwest, with dips vertical to steep southwest. Some minor folding and contortion of the schistosity has been observed. Faults are known to exist. One set is parallel to the schistosity; both on surface and in drill core examples can be seen to carry crushed rock or gouge. Another set has a northerly strike, is perhaps the dominant one in the area, and is known to offset the schist zones. Faults in other directions also are known.

The mineralized bodies of schist contain varying proportions of pyrite, sphalerite, chalcopyrite, galena and accessory amounts of a mineral resembling tetrahedrite. Pyrite is much more widespread than the ore minerals, particularly on the footwall of mineralized sections and toward the footwall of the Lynx zone. Gangue is chiefly quartz, chlorite and sericite (and some talc) with, locally appreciable amounts of barite and dolomite, the latter chiefly in veins with quartz. At surface and in the cores higher grade accumulations of the ore minerals, with or without pyrite, occur either as fine-grained replacements conformable with the schistosity or as irregular to tabular veins crosscutting the schistosity at various angles. In lower-grade bodies the sulphides are disseminated in the schist. A number of core intersections indicate that chalcopyrite and to a lesser extent sphalerite are more abundant where quartz-carbonate veins or extreme silicification occur, but this does not seem to apply to a number of massive sulphide intersections in the cores.

Other than as indicated above, the structural control, and therefore the expectable form and continuity of the sulphidic bodies is not known. Drilling at the Lynx suggests that sulphide bodies close to the Hanging (south-west) wall of the Schist zone would be expected to exhibit the maximum continuity parallel to the schistosity or to the related hanging wall fault zone.

THE LYNX GROUP

Plan 3 is on file and may be inspected at the general office of the Toronto Stock Exchange.

Summarized results of the work to date are shown in Plan 3 and the accompanying longitudinal section and cross sections (Sections A-B, C-D, E-F, G¹H¹, GH and I-J).

Assays were made by J. R. Williams & Son Ltd., 580 Nelson Street, Vancouver 2, B.C.

Surface exposures show that the schist zone is 500 feet wide at Section A-B but that there are within it bodies of relatively unshaped greenstone. Hole 5, Section C-D, demonstrated a width of over 500 feet without reaching the footwall. Hole 11, Section E-F, intersected a width of over 600 feet of schist. Several of the drill cores indicate that the south western limit of the schist zone should be interpreted as a fault zone dipping steeply southwest.

ORE POTENTIAL, LYNX GROUP

The available data do not permit firm estimates of ore reserves on the Lynx. The mineralized blocks shown in plan and in cross sections and detailed in the following table are “Possible” ore blocks that are believed to give, in total, a reasonable gross potential for the ground that has been tested rather than limits of ore that may be mined. They are best considered as giving a rough measure of the ore potential in the block of ground 1000 feet in strike length included in the calculations, without significance as to the actual form or dimensions of “orebodies”. It is to be noted that mineralized sections in Holes 14, 15 and 17 (Section I-J) and Hole 18 (Section G-H) are not included in the calculations. In other words, both ends of the block are “open”. Also, several mineralized intersections have not, for one reason or another, been included and metal values in many places extend beyond the assay limits taken for the blocks.

The average of the four main sections included in the tonnage calculations, without allowing for dilution, is, in round figures, 1200 tons per vertical foot. As mentioned above, the mineralized zone is open at both ends.

LYNX GROUP

| SECTION | BLOCK OR DRILL HOLE | AVERAGE CORE ASSYS | | | | | TRUE THICKNESS | TONS @ 10 CU.FT-TON |
|---------|------------------------|--------------------|---------|------|------|-------|-------------------|--------------------------|
| | | AU(OZS) | AG(OZS) | CU% | PB% | ZN% | | |
| A-B | W 1A | 0.16 | 7.7 | 6.8 | 7.4 | 27.6 | 3.5 ft. | 875. |
| | 8A | 0.10 | 3.8 | 1.4 | 1.8 | 15.6 | 17.0 ft. | 34000. |
| | 8B | 0.03 | 3.9 | 0.9 | 0.8 | 5.1 | 16.0 ft. | 64000. |
| | 8C | 0.05 | 6.8 | 2.1 | 1.6 | 9.6 | 10.0 ft. | 40000. |
| | 9A | 0.08 | 25.1 | 1.9 | 4.3 | 21.3 | 5.0 ft. | 20000. |
| | 9B | 0.07 | 1.2 | 1.7 | 1.0 | 16.0 | 12.0 ft. | 48000. |
| C-D | 10A | 0.045 | 1.9 | 0.8 | 1.5 | 10.5 | 10.0 ft. | 30000. |
| | 12A | 0.06 | 2.4 | 1.8 | 1.1 | 5.8 | 24.0 ft. | 96000. |
| | 12B | 0.07 | 8.5 | 0.5 | 1.8 | 5.4 | 4.0 ft. | 4000. |
| | 12C | 0.01 | 1.4 | 0.4 | 1.4 | 4.3 | 6.0 ft. | Omit from calculation |
| E-F | 7A | 0.05 | 3.3 | 2.4 | 0.8 | 9.5 | 7.0 ft. | 7000. |
| | 11A | 0.05 | 1.7 | 1.0 | 1.3 | 8.6 | 17.0 ft. | 38250. |
| | 13A | 0.12 | 3.5 | 3.45 | 1.0 | 21.7 | 4.0 ft. | 6000. |
| | 13B | 0.005 | 0.2 | 0.6 | 0.1 | 7.2 | 8.0 ft. | Omit |
| G-H | 21A | 0.046 | 2.1 | 0.93 | 0.73 | 6.0 | 20.0 ft. | 45000. |
| | 21B | 0.005 | 0.4 | 0.63 | 0.17 | 8.3 | 6.0 ft. | Omit |
| | 21C | 0.21 | 6.0 | 4.4 | 2.2 | 22.2 | 7.0 ft. | 15750. |
| AVERAGE | | 0.06 | 4.09 | 1.56 | 1.34 | 10.02 | 11.2 ft. | 448,875 TONS |

ADDITIONAL INTERSECTIONS

| | | | | | | | | |
|-------------------|----------|--------|------|------|------|-------|----------|--------------|
| G-H | 18A | 0.02 | 0.3 | 1.5 | 0.1 | 3.7 | 9.0 ft. | Omit |
| | or 18A | 0.02 | 0.2 | 1.15 | 0.1 | 1.7 | 20.0 ft. | Omit |
| | W 2A | Barren | | | | | | |
| | 3A | 0.02 | 0.7 | 0.4 | 0.4 | 3.4 | 9.0 ft. | Omit |
| | 4A | 0.01 | 1.2 | 0.3 | 0.6 | 4.7 | 9.0 ft. | Omit |
| | 5A | 0.01 | 0.5 | 0.2 | 0.2 | 1.2 | 25.0 ft. | Omit |
| | 11B | 0.04 | 2.0 | 1.7 | 1.5 | 10.9 | 0.5 ft. | Omit |
| I-J | W 14A | 0.08 | 3.6 | 0.7 | 0.7 | 3.7 | 35.0 ft. | Omit |
| | 15A | 0.015 | 0.7 | 0.3 | 0.7 | 2.4 | 2.0 ft. | Omit |
| | 17A | TR. | 2.5 | 0.4 | 1.0 | 4.8 | 8.0 ft. | Omit |
| | 17B | 0.04 | 16.8 | 0.8 | 7.8 | 42.1 | 1.0 ft. | Omit |
| ABOVE PLUS 10% | AVERAGE | 0.06 | 4.09 | 1.56 | 1.34 | 10.02 | | 448,875 |
| | DILUTION | 0.056 | 3.7 | 1.4 | 1.2 | 9.1 | | 493,672 TONS |

ESTIMATED NET SMELTER RETURN PER TON LYNX GROUP

| | HEAD ASSAY | RECOVERY % | NET METAL | UNIT PRICE | NET SMELTER RETURN |
|--------------------------------------|------------|------------|-----------|------------|-----------------------|
| Au | .056 ozs. | 85 | 0.475 | \$35.00 | 1.66 |
| Ag | 3.7 ozs. | 87 | 3.22 | \$ 1.05 | 3.38 |
| Cu | 1.4 % | 80 | 1.12 | \$ 0.22 | 4.93 |
| Pb | 1.2 % | 75 | 0.9 | \$ 0.05 | 0.90 |
| Zn | 9.1 % | 75 | 6.8 | \$ 0.45 | 6.11 |
| TOTAL N.S.R. | | | | | \$16.98 |
| Assumed Operating Cost Per Ton | | | | | 9.00* |
| Estimated Profit Per Ton | | | | SAY | \$ 8.00 |

* J. A. C. Ross, Consulting Mining Engineer, has estimated costs as follows, for a 500 tons per day operation:

| | |
|-----------------------------|----------------|
| Exploration and Development | \$1.50 per ton |
| Mining | \$3.50 |
| Milling | \$2.50 |
| Administration | \$1.00 |
| TOTAL | \$8.50 per ton |

PARAMOUNT GROUP

The workings on this group have not been examined by the writer. Plan 4 is a compilation of all work to date supplied by Western Mines and is accompanied by a vertical section through Trench "C". Their complete accuracy cannot be guaranteed since the source information is variable, some of it is 40 years old, and final detailed surveys have not been made.

From the plan it will be seen that the Schistose rocks here are at least 250 feet wide at surface. The schistosity strikes N40°W. dips very steeply, and the schists are bounded on the east by a fault zone of steep easterly dip that trends west of north. A second fault, trending north, displaces the schists on the west. To the south, the schists appear to dip beneath the relatively unshered cover of volcanic rocks and this attitude is corroborated by the fact that the vertical drill holes W.101 and W.102 intersected ore and schist beneath the volcanic rocks in which they are collared. A southeasterly plunge is suggested by intersections of mineralized schist in several drill holes at points southeast of the adit and it would seem that vertical drill holes to the south and southeast of the main surface showings will be required to test for possible extensions in these directions.

To the northwest there is some 4,000 feet of drift-covered, low ground between the Paramount showings and the southerly drill holes at the Lynx group.

The "ore" block indicated in the section through Trench "C" would yield 150 tons per foot of length. The unweighted average of the four intersections is 0.09 oz. Au, + 4.5 oz. Ag, 1.8% Cu, 2.0% Pb, 12.1% Zn.

It is estimated that the Paramount has a possible ore reserve of over 50,000 tons at a grade similar to or better than that at the Lynx.

PRICE CREEK GROUP

No development has been done at the Price Creek group by Western Mines. Schist similar to that at the Paramount and Lynx groups is exposed at at least three places on the claims, at elevations between 1300 and 2000 feet above sea level and narrow widths of sulphide mineralization similar to that at the Lynx and Paramount have been exposed in open cuts. Additional details are given in the writer's report of 1930 for the Geological Survey, Canada. The showings are on the general strike extension of the Paramount Lynx schist zone but it is not known that there is a direct connection between the Paramount and Price Creek. The writer has not re-examined the showings since 1930.

No ore potential can be estimated for the Price Creek group at this time. It needs additional study and exploration before its potential value can be determined.

SUMMARY

1. Western Mines Limited has under option a large property at Myra Falls, Buttle Lake, in Strathcona Park on Vancouver Island, B.C.
2. Diamond drilling on the Lynx Group has indicated a potential of 1200 tons per vertical foot in a strike length of 1000 feet, to an average depth of 400 feet. The estimated operating profit is \$8.00 per ton.
3. Additional potential is indicated by drill holes (Section G-H and I-J) that extend the known length of the mineralized zone by at least 300 feet beyond the 1000 feet used in the tonnage calculations.
4. An additional possible tonnage of at least 50,000 tons is indicated at the Paramount group, 4000 feet southeast of the Lynx workings and the intervening ground is covered by overburden.

CONCLUSIONS

1. Underground development and diamond drilling are required at the Lynx to supply data for firm estimates of tonnage and grade.
2. The development program planned and presently underway by Western Mines includes the following work and expenditures.

| | |
|--|---------------------|
| (a) Purchase of camp and equipment..... | \$ 10,000.00 |
| (b) Road Construction..... | \$ 20,000.00 |
| (c) Lynx Property Development | |
| 3,000 feet of drifting and crosscutting..... | \$195,000.00 |
| 560 feet of Raising..... | \$ 25,000.00 |
| 2,500 feet of Test Hole Drilling..... | \$ 11,000.00 |
| 30,000 feet of diamond drilling | \$162,000.00 |
| (d) Paramount Property | |
| 2,000 feet of diamond drilling | \$ 15,000.00 |
| (e) Price Property | |
| Road Construction..... | \$ 10,000.00 |
| Trenching and diamond drilling | \$ 24,000.00 |
| (f) Geological Mapping, Engineering, Administration and Miscellaneous..... | \$175,000.00 |
| TOTAL..... | <u>\$707,000.00</u> |

CONCLUSIONS (continued)

- 3. This expenditure would allow for adequate testing of the Lynx group for a strike length of about 1300 feet to the 950 foot level, using an adit and crosscuts at the 1250 foot level.
- 4. Development to this depth in the 1000 feet of strike length calculated above would give additional potential at the average figures used of 200,000 tons or a total of say 700,000 tons, dilution included, if estimated widths and grades persisted. Average depth of the ground so tested would be 530 feet from surface, without allowing for any depth extensions below the deepest drilling.
- 5. Allowing for indicated strike extensions and for possible depth extensions below the 950 foot level, the potential of the property is sufficient to justify the projected expenditures, provided that sufficient encouragement is obtained as the work proceeds to warrant completion of the programme.

“H. C. GUNNING”,
Professional Engineer.

CERTIFICATE

I, Henry C. Gunning, of the City of Vancouver, do hereby certify as follows:

- 1. That I am a Consulting Geologist and have practiced my profession in excess of twenty-five years.
- 2. That I live at 1245 Beach Avenue, Vancouver 5, B.C.
- 3. That I am registered as a Professional Engineer in the Province of British Columbia.
- 4. That I am a graduate engineer with degrees of Bachelor of Applied Science, Geological Engineering from the University of British Columbia and Science Master and Doctor of Philosophy (Geology) from Massachusetts Institute of Technology.
- 5. That my knowledge of this property was acquired:
 - (a) By personal examination of the property and surrounding area as geologist for the Geological Survey, Canada, 1930.
 - (b) By examination of records supplied by Western Mines Limited and Consolidated Mining and Smelting Company of Canada.
 - (c) By personal examination of diamond drill cores at the property March 30 to April 2, 1962 inclusive.
- 6. That I have no interest either directly or indirectly, nor do I expect to receive any interest either directly or indirectly in the properties or securities of Western Mines Limited.

Dated at Vancouver this 14th day of April, 1962.

“H. C. GUNNING”,
Professional Engineer.

WESTERN MINES LIMITED
MYRA FALLS, B.C.

Buttle Lake Vancouver Island

The following is a conservative estimate of the ore reserves indicated by diamond drilling that has been completed to December 31st, 1961:

| PROPERTY | CLASSIFICATION | TONS |
|------------|--|---------|
| Lynx | Drill Indicated including Dilution | 293,000 |
| Lynx | Inferred or Possible | 150,000 |
| Lynx Total | | 443,000 |
| Paramount | Drill Indicated (Similar to Lynx but drilling indicates somewhat higher grades for gold, silver, copper) | 100,000 |
| TOTAL | | 543,000 |

The drilling has given the following grades for the 443,000 tons on the Lynx Property:

| Au oz. | Ag oz. | Cu % | Pb % | Zn % |
|-----------|-----------|---------|---------|---------|
| 0.056 | 2.92 | 1.44 | 1.31 | 10.46 |

On the basis of these figures it has been estimated that at a production rate of 500 tons per day using conservative metallurgical figures and operating costs, ore of this grade should return a net operating profit of approximately \$9.00 per ton.

January 12, 1962
Vancouver, B.C.

ADDENDUM FOR REPORT ON
MYRA FALLS PROPERTY, STRATHCONA PARK
VANCOUVER ISLAND, BRITISH COLUMBIA
OF
WESTERN MINES LIMITED

The development program at the Lynx Group is planned to include:

- (1) An adit with portal approximately 60 feet north of the collar of diamond drill hole W18, at elevation close to 1250 feet (see Plan 3). It will angle north for approximately 150 feet and then turn northwest, roughly following the section line on Plan 3, as a drift along or parallel to the hanging wall mineralized zones intersected in the various drill holes. A total of 1150 feet of driving will be required to reach latitude 16,600 N, the estimated northwest end of mineralized block 12A. Allowance is made for an additional 700 feet of crosscutting and drifting, either from this point or from a footwall drift, to test the intersections obtained on Holes 14, 15 and 17, at the extreme northwest end of the drilled area. It is also planned to drive from the main adit a crosscut 300 feet into the footwall approximately along section A-B. It will pass block 9B and possible downward extensions of blocks 8B, 8C and 7A. Some 300 feet of drifting is planned on one or more of these footwall lodes. The remaining 550 feet of the 3000 feet estimate is allowed for crosscuts in mineralized zones at intermediate points and for preparation of diamond drill sites underground.
- (2) A raise to surface, some 360 feet in length, to provide ventilation and additional drill sites if required. Two hundred feet of other raising is allowed for testing and sampling the mineralized zones.
- (3) Twenty-five hundred feet of test-hole drilling to sample mineralized zones where the full widths cannot be sampled in drifts or crosscuts. Many of these short holes should be at intervals of 25 to 50 feet to determine properly the form and grade of mineralized zones.
- (4) The estimated 30,000 feet of diamond drilling includes 25,000 feet of underground drilling, to probe to a depth of about 300 feet below the 1250 level and above that level. This will be accomplished by rings of holes at strike intervals of about 150 feet. The remaining 5,000 feet is an allowance for surface drilling, at an estimated cost of \$7.50 per foot, on the northwest and southeast extremities of the known mineralized zones. The southeast extremity will not be accessible from the adit.

It is believed that unless unexpected difficulties are encountered the underground programme can be completed by the end of 1962. Item (f) of the estimate therefore covers a period of ten months, March to December inclusive, 1962. The entire programme will, of course, be subject to reappraisal and readjustment as new results become available.

"H. C. GUNNING", P. Eng.

April 26, 1962.

H. C. GUNNING
Consulting Geologist

1245 Beach Avenue,
Vancouver 5, B.C.

May 1, 1962

Mr. MacEwan,
Toronto Stock Exchange,
Bay Street,
Toronto, Ontario

Dear Sir:

This letter confirms that yesterday, with reference to my report and addendum on the Myra Falls property of Western Mines Limited, I sent you the following telegram:

"REFERENCE MY WESTERN MINES REPORT ADDENDUM APRIL 26TH. THE UNDERGROUND PROGRAMME HAS MY PERSONAL RECOMMENDATION. PARAGRAPH 5 ON THE LAST PAGE OF MY REPORT WAS INTENDED TO ENDORSE THE PROPOSED PROGRAMME."

Yours sincerely,

"H. C. GUNNING", P. Eng.





